

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6537**

**BILL NUMBER:** HB 1074

**DATE PREPARED:** May 1, 2001

**BILL AMENDED:** Apr 29, 2001

**SUBJECT:** Cemeteries.

**FISCAL ANALYST:** Bob Sigalow, Chuck Mayfield

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**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (CCR Amended) This bill provides that property that is classified by the director of the Division of Historic Preservation and Archeology as cemetery land shall be assessed for property tax purposes at \$1 per acre, unless the cemetery is less than one acre in which case it shall be assessed in the amount of \$1. It establishes procedures and conditions to have property classified as cemetery land.

The bill requires the owner of the classified cemetery land to allow family members and descendants of persons buried in the cemetery to have at least one day each year to visit the cemetery. It allows the Division to record cemeteries and burial grounds in each county. The bill also provides that property development near a cemetery or burial ground must follow certain procedures and it adds burial grounds to the property protected under the Cemetery Mischief Law.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** (Revised) The state's expense for property tax replacement credits (PTRC) could be decreased under this bill. PTRC is paid from the Property Tax Replacement Fund which is annually supplemented by the state General Fund. Any additional PTRC savings would ultimately accrue to the General Fund.

**Explanation of State Revenues:** (Revised) The bill would make the intentional damaging of a burial ground a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** (Revised) A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** (Revised) The number of cemeteries that might be affected by the bill is unknown. The Department of Natural Resources has not completed their cemetery register. Currently, cemeteries that are owned by churches or not-for-profit corporations may be exempt under IC 6-1.1-10-27. The lowest assessment of land is for farm land at \$165 AV per acre. The average net tax rate was \$8.955 per \$100 of assessed valuation for CY 2000. The amount paid on cemetery land could decrease by at least \$14.70 per acre on average.

The impact on a local government's levy depends on the property tax controls of the fund. There are two basic types of property tax controls: levy controls and rate controls. If the fund is subject to levy controls, then the fund is allowed to raise a fixed dollar amount from property taxes. A drop in the assessed valuation of the fund causes the amount paid by the other taxpayers in the unit to increase to offset the reduction. The fund experiences no loss of revenue, but the other taxpayers' bill would increase. Under rate controls, the property tax rate is fixed and a drop in assessed valuation results in less revenue being raised by the levy. The other taxpayers' bill would remain about the same. In the case of the school General Fund, the loss in revenue is made up by the state in the form of increased tuition support dollars.

Regarding the Class A misdemeanor, if additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** State Board of Tax Commissioners.

**Local Agencies Affected:** County Assessors, County Auditors, Township Assessors, Local Units, Trial courts, local law enforcement agencies.

**Information Sources:** Local Government Database.